



## **Cultural District Sales Tax Exemption Instructions**

Effective on the first day of the month after the date of certification within the boundaries of a certified Cultural District, no sales tax will be charged on the sale of original, one-of-a-kind works of art that meet the definition set forth in the law, defined below.

It is the responsibility of the Applicant to inform all artists, businesses, and dealers of original art, within the boundaries of the Cultural District, of the eligibility for tax-exempt status on their sales of original art. For the twenty nine (29) Round 1 Cultural Districts the effective date of certification as a Cultural District is October 1, 2008, so the original art sales tax exemption is effective beginning Saturday, November 1, 2008. Feel free to share the link to this site and/or printouts of this information.

The Cultural District original art sales tax exemption is not optional. The law states that no sales tax, either state or local, will be charged on the sale of original, one-of-a-kind works of art within the boundaries of a Cultural District.

### **Documentation of Tax Exempt Sales**

Vendors shall certify the authenticity of original works of art and document the tax-exempt sale of these certified works by using the Tax Exemption Certificates ([R-1384](#)) provided by the Louisiana Department of Revenue (LDR), available online at [www.crt.state.la.us/culturaldistricts](http://www.crt.state.la.us/culturaldistricts). The Sales Tax Exemption Certificate to document the sale and authenticity of original art includes the following information:

1. Name and address of the Purchaser
2. The title and description of the work of art including its medium and dimensions, the name of the artist, predominant color, its date of creation (if known). The sale date and price of the work of art.
3. Name and address of Seller. Name and location of the Cultural District.
4. Signature of the Seller certifying that to the best of his knowledge the work of art meets the definition of a tax-exempt work of art, as defined below.

The vendor shall retain Tax Exemption Certificates and documents described above on tax exempt sales, for purposes of audit. Vendors may provide the purchaser with a copy of the Tax Exemption Certificate certifying their purchase as an original, one-of-a-kind work of art.

The vendor shall retain copies of said certificates and documentation for inspection by the Louisiana Department of Revenue (LDR) and local taxing authorities.

### **Sales Tax Exemption Reporting**

Vendors of original, one-of-a-kind works of art in a certified Cultural District should submit their monthly sales tax return ([R-1029](#)) to the Louisiana Department of Revenue and the local tax authority as usual. The total value of original art sales tax exemptions claimed during the reporting period should be entered on page 2, line 33.

If an audit reveals that sales tax was not collected properly on a work of art, the vendor or purchaser shall remit the amount of the uncollected tax to the proper taxing authorities, along with any penalties or fees. This provision does not affect the assessment and collection procedures undertaken by the Louisiana Department of Revenue.

### **Louisiana Department of Revenue Service**

Vendors of original, one-of-a-kind works of art should register with the Department of Revenue in order to receive regular communication from the Department of Revenue on rulings, guidelines, and advice regarding the implementation of this provision. Sign up for the Louisiana Department of Revenue electronic Policy Statement Subscription Service at <http://www.revenue.louisiana.gov/sections/lawspolicies/psss.aspx>

### **Tax Exempt Works of Art Defined**

1. A work of art is tax exempt if it is sold from an established location within a Cultural District and it is:
  - a. Original;
  - b. One-of-kind, except as further defined in section 2 below;
  - c. Visual art;
  - d. Conceived and made by hand of the artist or under his direction; and
  - e. Not intended for mass production, except for limited editions specified below.
2. Examples of eligible media and products include:
  - a. Visual arts and crafts, including but not limited to drawing, painting, sculpture, clay, ceramics, fiber, glass, leather, metal, paper, wood, installation art, light sculpture, wearable art, or mixed media; and
  - b. Limited, numbered editions (up to 100) of lithographs, photography, silk screen, intaglios, etchings, graphic design.
3. Examples of ineligible media and products include:
  - a. Performing art;
  - b. Food products;
  - c. Live plants, such as bonsai trees, floral arrangements, wreaths, and garlands;
  - d. Music recordings; and
  - e. Reproductions of original works of art

#### *Original Art Advisory Opinion*

Prior to the sale, vendors may seek advance advisory opinions from the OCD to determine whether a specific work of art meets the definition of a tax-exempt work of art. Vendors should provide a concise description of the work of art, artist, cost of work, date of creation, and other pertinent details including phone and contact information for reply, in writing to the address below for an advisory opinion.

Cultural Districts  
Original Art Advisory Opinion  
PO Box 44247  
Baton Rouge, LA 70804

After the sale and upon request of any taxing authority, the OCD may issue rulings on whether a specific work of art meets the definition of a tax-exempt work of art.

**For questions contact Gaye Hamilton, 225-342-8161, [ghamilton@crt.state.la.us](mailto:ghamilton@crt.state.la.us)**